

CHAPTER 9

STATEMENT OF CUSTODIAL ACTIVITY0901 **FORMAT FOR THE STATEMENT OF CUSTODIAL ACTIVITY**

Department of Defense		
[Reporting Entity]		
PRINCIPAL STATEMENT OF CUSTODIAL ACTIVITY		
For the period ending September 30, XXXX		
(\$ in Thousands)		
	FY	FY
	<u>XXXX</u>	<u>XXXX</u>
SOURCES OF COLLECTIONS		
1. Cash Collections:		
Custodial Funds from Customer	\$xxx,xxx	\$xxx,xxx
2. Less Refunds and Other Payments	(xxx,xxx)	(xxx,xxx)
3. Net Collections	xxx,xxx	xxx,xxx
4. Accrual Adjustments	xxx,xxx	xxx,xxx
5. Total Custodial Revenue	<u>\$xxx,xxx</u>	<u>\$xxx,xxx</u>
DISPOSITION OF COLLECTIONS		
6. Transferred to Others: (by recipient)	\$xxx,xxx	\$xxx,xxx
7. Increase (Decrease) in Amounts to be Transferred	xxx,xxx	xxx,xxx
8. Retained by the Entity	xxx,xxx	xxx,xxx
9. Total Disposition of Revenue	<u>\$xxx,xxx</u>	<u>\$xxx,xxx</u>
10. Net Custodial Activity	<u>\$xxx,xxx</u>	<u>\$xxx,xxx</u>
The accompanying notes are an integral part of these statements.		

Figure 9-1

0902 **INSTRUCTIONS FOR THE STATEMENT OF CUSTODIAL ACTIVITY**

090201. General. General Instructions for the Preparation of the Statement of Custodial Activity. The Statement of Custodial Activity is required for entities that collect nonexchange revenue for the General Fund of the Treasury, a trust fund, or other recipient entities. The collecting entities do not recognize collections which have been or should be transferred to others as revenues. Rather, they shall account for sources and disposition of the collections as custodial activities on the Statement of Custodial Activity.

090202. An exception to requiring preparation of the Statement of Custodial Activity is made when collecting entities have custodial collections that are nonmaterial and incidental to their primary mission. In these cases, the sources and disposition of the collections may be disclosed in accompanying footnotes.

090203. Instructions for the Preparation of the Statement of Custodial Activity.

A. Sources of Collections – Lines 1 through 5. Report in this section of the statement the components of cash collections. Funds provided in the context of Foreign Military Sales (FMS) are an example of applicable cash collections. A Statement of Custodial Activity shall be provided which reports the amounts of cash receipts and disbursement of the FMS trust Fund during the year.

1. This section of the report also includes the accrual adjustment, which shall be shown separately and added or subtracted from the net collections to determine the total custodial revenue. If the accrual adjustments are material in relation to the gross collections, consideration should be given to reporting them separately in a footnote.

B. Disposition of Collections – Lines 7 through 10. This section of the statement accounts for the disposition of the revenue reported in the preceding section.

1. Amounts Transferred to Others (By recipient) – Line 6. The net amount transferred is computed by subtracting refunds from gross amounts transferred.

2. Amounts Yet to be Transferred (Increase or Decrease) – Line 7. Report the change in liability for revenue yet to be transferred. The liability may exist because it is a receivable, but has not yet been collected, or because collections already made have not yet been transferred to the entity for which collected as of the end of the reporting period.

3. Amounts Retained by the Collecting Entity – Line 8. In some cases, collecting entities are permitted to retain a portion of amounts collected. Amounts retained shall be separately reported by the collecting entity.

4. Net Custodial Activity – Line 10. The total of the sources of collection section (total revenue) shall equal the total of the disposition of collections section (total disposition of revenue). The net custodial activity shall always equal zero.

0903 GENEAL LEDGER CROSSWALK FOR THE STATEMENT OF CUSTODIAL ACTIVITY The following provides an explanation of the information included in the columns of the crosswalk (all balances are preclosing balances, except where noted):

090301. Column (1) represents the line number on the statement,
090302. Column (2) identifies the title of the line number on the statement,
090303. Column (3) reflects the u.s. standard general ledger account numbers included on each line of the statement,
090304. Column (4) identifies the title of the general ledger account,
090305. Column (5) additional information to be used in developing the presentation of the identified data.

(1)	(2)	(3)	(4)	(5)
Line No.	Statement of Custodial Activity Title	Acct. No.	Account Title	Additional Detail Required
1	Cash Collections: Cash Funds from Customers	1010 1190 1310	Fund Balance With Treasury Other Cash Accounts Receivable	Custodial nonentity Custodial nonentity Custodial nonentity
2.	Less Refunds and Other Payments	2110	Accounts Payable	Custodial nonentity
3	Net Collections		Calculation (Line 1. minus line2.)	
4	Accrual Adjustment	1310 2110	Accounts Receivable Accounts Payable	Custodial nonentity Custodial nonentity
5	Total Custodial Revenue		Calculation (Line 3 plus line 4)	
6	Transferred to Others: (by recipient)	2110 2980	Accounts Payable Custodial Liability	Custodial nonentity Custodial nonentity
7	Increase (Decrease) in Amounts to be Transferred	2980	Custodial Liability	Custodial nonentity
8	Retained by the Entity		Calculation (Line 5 minus line 6 minus line 7)	
9	Total Disposition of Revenue		Calculation (Line 6 plus line 7 plus line 8)	
10	Net Custodial Activity		Calculation (Line 5 minus line 9)	Must equal zero

Table 9-1